

FINANCIAL STATEMENTS

31 December 2018

CHRISTIAN OUTREACH TO THE HANDICAPPED

Unique Entity Number: S87SS0014H

TABLE OF CONTENTS

Report in Compliance with Charities Regulations	1
Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	7
Statement of Financial Position	9
Statement of Changes In Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

REPORT IN COMPLIANCE WITH CHARITIES REGULATIONS

For the financial year ended 31 December 2018

Christian Outreach to the Handicapped was set up and registered as a society on 27 March 1987. It was registered under the Singapore Charities Act, Chapter 37 (the "Charities Act") on 1 November 1987. Christian Outreach to the Handicapped is also an Institution of a Public Character ("IPC") and a full member of National Council of Social Service ("NCSS").

Unique Entity Number:	S87SS0014H	
IPC Number:	IPC000364 (Validity: 1 July 2018 to 30 June 2020)	
Register Office:	Block 414 Tampines 41, #01-301, Singapore 520414	
Centres:	Christian Outreach to The Handicapped (Tampines)	Block 414 Tampines Street 41, #01-311, Singapore 520414
	Christian Outreach to The Handicapped (Toa Payoh)	Block 171 Lorong 1 Toa Payoh, #01-1146, Singapore 310171
		Block 161 Lorong 1 Toa Payoh, #01-1596, Singapore 310161
Management Committee	Pastor Dennis Huang Shaojun	President / Honorary Chaplain
	Ms. Ivy Goh Hui Li	Vice President / Honorary Treasurer
	Kirindeep Singh	Honorary Secretary
	Jimmy Chan Hian Chye	Member
	See Teow Huat Richard	Member
	Wong Wai Meng	Member
	Hartono	Member
Key Employee:	Dr Steven Thanigasalam	Executive Director
Bankers:	United Overseas Bank Limited Sing Investments & Finance Limited	
Auditor:	P G Wee Partnership LLP Chartered Accountants of Singapore 79 Anson Road #07-03 Singapore 079906	

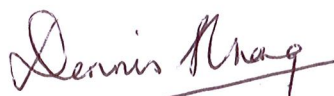
STATEMENT BY THE MANAGEMENT COMMITTEE

For the financial year ended 31 December 2018

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 ("Acts") and Singapore Financial Reporting Standards ("FRS"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In our opinion, the financial statements are drawn up so as to present fairly the financial position of the Christian Outreach to the Handicapped (the "Society") as at 31 December 2018 and of the financial performance, changes in fund and cash flows of the Society for the year ended on that date in accordance with the provisions of the Acts..

The Management Committee has, on the date of this statement, approved and authorised these financial statements for issue.



Pastor Dennis Huang Shaojun
President / Honorary Chaplain



Ms. Ivy Goh Hui Li
Vice President / Honorary Treasurer

15 February 2019



Engaging businesses

Chartered
Accountant
SINGAPORE

Accredited
Training
Organisation

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Christian Outreach to the Handicapped

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Christian Outreach to the Handicapped (the "Society"), which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311, (the Societies Act), the Singapore Charities Act, Chapter 37 (the Charities Act) and other relevant regulations (The Charities Act and Regulation) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2018 and the results, changes in funds and cash flows of the Society for the year ended on that date.

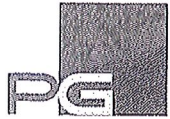
Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The management is responsible for other information. The other information comprises the information included in the report in compliance with charities regulations and statement by the management committee, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Engaging businesses

Chartered
Accountant
SINGAPORE

Accredited
Training
Organisation

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Christian Outreach to the Handicapped

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Management Committee for the Financial Statements

Management is responsible for the preparation and fair preparation of financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Management Committee is responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





Engaging businesses

Chartered
Accountant
SINGAPORE

Accredited
Training
Organisation

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Christian Outreach to the Handicapped

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Engaging businesses

Chartered
Accountant
SINGAPORE

Accredited
Training
Organisation

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Christian Outreach to the Handicapped

Report on Other Legal and Regulatory Requirements

In our opinion:

- a. the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- b. The fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- c. The Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- d. The Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

15 February 2019

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2018

	Note	Headquarters			Tampines			Toa Payoh			2018 Total Funds
		Unrestricted General Fund	Designated Funds	Building Fund	Restricted Renovation Fund	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Unrestricted General Fund	
		SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
INCOME											
Income from generated funds											
- Voluntary Income	4	118,868	-	-	-	-	257,705	-	-	257,473	634,046
- Fundraising Activities	5	126,270	-	-	-	-	-	-	-	-	126,270
Government subvention	6	244,603	-	-	-	-	499,190	-	-	449,331	1,193,124
Income from charitable activities	7	-	-	-	-	-	82,904	-	-	108,470	191,374
Tote Board Social Service Fund		-	-	-	-	-	55,069	-	-	44,269	99,338
Other income	8	23,976	-	-	-	-	-	-	-	700	24,676
Total income		513,717	-	-	-	-	894,868	-	-	860,243	2,268,828
EXPENDITURE											
Cost of fund generating activities	5	1,016	-	-	-	-	-	-	-	-	1,016
Cost of charitable activities	9	55,836	-	-	-	2,716	821,117	42	4,757	1,049,811	1,938,171
Governance and administrative costs	10	271,561	-	-	1,049	-	3,624	-	-	3,630	279,864
		328,413	-	-	1,049	2,716	824,741	42	4,757	1,053,441	2,219,051
Net surplus (deficit) for the financial year		185,304	-	-	(1,049)	(2,716)	70,127	(42)	(4,757)	(193,198)	49,777

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2018

Note	Headquarters			Tampines			Toa Payoh			2017 Total Funds		
	Unrestricted General Fund	Designated Funds	Building Fund	Restricted Renovation Fund	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Deferred Capital Fund	Unrestricted General Fund		Designated Funds	Deferred Capital Fund
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
INCOME												
Income from generated funds												
- Voluntary Income	4	102,588	2	-	-	220,780	29	-	276,936	14	-	600,349
- Fundraising Activities	5	140,636	-	-	-	-	-	-	-	-	-	140,636
Government subvention	6	155,464	-	-	-	520,418	-	-	482,578	-	57,189	1,215,649
Income from charitable activities	7	-	-	-	-	86,177	-	-	121,083	-	-	207,260
Tote Board Social Service Fund		-	-	-	-	48,560	-	-	32,257	-	-	80,817
Other income	8	27,514	-	-	-	660	-	-	1,384	-	-	29,558
Total income		426,202	2	-	-	876,595	29	-	914,238	14	57,189	2,274,269
EXPENDITURE												
Cost of fund generating activities	5	1,846	-	-	-	-	-	-	-	-	-	1,846
Cost of charitable activities	9	50,906	-	-	-	839,440	-	9,943	985,274	-	7,818	1,893,381
Governance and administrative costs	10	267,522	-	-	-	3,087	-	-	3,033	-	-	273,642
		320,274	-	-	-	842,527	-	9,943	988,307	-	7,818	2,168,869
Net surplus (deficit) for the financial year		105,928	2	-	-	34,068	29	(9,943)	(74,069)	14	49,371	105,400

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	2018 SGD	2017 SGD
Assets			
Non-Current Assets			
Plant and Equipment	13	228,036	69,852
Total Non-Current Assets		<u>228,036</u>	<u>69,852</u>
Current Assets			
Trade and Other Receivables	14	15,264	35,113
Other Assets	15	33,265	43,565
Cash and Cash Equivalents	16	5,941,999	4,688,406
Total Current Assets		<u>5,990,528</u>	<u>4,767,084</u>
Total Assets		<u>6,218,564</u>	<u>4,836,936</u>
Funds and Liabilities			
Unrestricted Funds			
General fund		3,144,614	3,082,381
Designated funds	17	2,021,580	707,975
Total Unrestricted Funds		<u>5,166,194</u>	<u>3,790,356</u>
Restricted Funds			
Building Fund	18	857,944	857,944
Renovation Fund	19	10,475	11,524
Deferred Capital Fund	20	155,531	59,905
Total Restricted Funds		<u>1,023,950</u>	<u>929,373</u>
Total Funds		<u>6,190,144</u>	<u>4,719,729</u>
Current Liabilities			
Other Payables	21	28,420	117,207
Total Current Liabilities		<u>28,420</u>	<u>117,207</u>
Total Liabilities		<u>28,420</u>	<u>117,207</u>
Total Funds and Liabilities		<u>6,218,564</u>	<u>4,836,936</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 December 2018

	Headquarters					Tampines			Toa Payoh			
	Total Funds	Unrestricted Funds	Designated Funds	Building Fund	Restricted Funds	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Opening Balance at 1 January 2018	4,719,729	2,293,222	692,237	857,944	11,524	-	517,736	(21)	2,696	271,423	15,759	57,209
Net surplus (deficit) for the financial year	49,777	185,304	-	-	(1,049)	(2,716)	70,127	(42)	(4,757)	(193,198)	(35)	(3,857)
Transfer of Funds	-	-	(106,956)	-	-	36,530	-	-	68,500	-	-	1,926
Net Movement for the Year	1,420,638	-	1,420,638	-	-	-	-	-	-	-	-	-
Closing Balance at 31 December 2018	6,190,144	2,478,526	2,005,919	857,944	10,475	33,814	587,863	(63)	66,439	78,225	15,724	55,278
Opening Balance at 1 January 2017	4,614,329	2,187,294	692,235	857,944	11,524	-	483,668	(50)	12,639	345,492	15,745	7,838
Net surplus (deficit) for the financial year	105,400	105,928	2	-	-	-	34,068	29	(9,943)	(74,069)	14	49,371
Closing Balance at 31 December 2017	4,719,729	2,293,222	692,237	857,944	11,524	-	517,736	(21)	2,696	271,423	15,759	57,209

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018

	Note	2018 SGD	2017 SGD
Cash Flows From Operating Activities			
Net Surplus (Deficit) for the Year		49,777	105,400
Adjustments for:			
Depreciation of Plant and Equipment		51,523	26,313
Interest Income		(22,191)	(26,331)
Operating Cash Flows Before Changes in Working Capital		79,109	105,382
Changes in Working Capital			
Trade and Other Receivables		19,849	66,822
Other Assets		10,300	12,824
Other Payables		(88,787)	(19,630)
Cash Flows From (Used In) Operations		20,471	165,398
Interest Received		22,191	26,331
Net Cash Flows From (Used In) Operating Activities		42,662	191,729
Cash Flows From Investing Activities			
Purchase of Plant and Equipment		(209,707)	(52,677)
Net Cash Flows From (Used In) Investing Activities		(209,707)	(52,677)
Cash Flows From Financing Activities			
Community Silver Trust Fund		1,359,859	-
NCSS Trust Fund		44,031	-
Silver Volunteer Fund		16,748	-
Net Cash Flows From (Used In) Financing Activities		1,420,638	-
Net Increase (Decrease) in Cash and Cash Equivalents		1,253,593	139,052
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		4,688,406	4,549,354
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	16	5,941,999	4,688,406

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information

Christian Outreach to the Handicapped's (the "Society") registered office is located at Block 414 Tampines 41, #01-301, Singapore 520414 and its principal places of business are located at Block 414 Tampines Street 41, #01-311, Singapore 520414 and Block 171 Lorong 1 Toa Payoh, #01-1146, Singapore 310171. The Society is incorporated and situated in Singapore. The Society was registered as a society on 27 March 1987 under the Societies Act, Chapter 311. On 1 November 1987, it was registered as a Charity under the Charities Act, Chapter 37 and has been accorded the status of an Institution of a Public Character (IPC) for the period from 1 July 2018 to 30 June 2020.

The Management Committee approved and authorised these financial statements for issue.

The principal activities of the Society are to provide holistic learning through recreational, social, Bible-based instructions and economic help to disabled people as a whole person and the family unit as the main building block of society. It also does things that are necessary, incidental or conducive to the attainment of the above such as (a) Encourage and train volunteers to work with the disabled in the area of spiritual and physical education (b) Operate facilities to minister to the needs of the disabled (c) Cooperate, coordinate, complement and network with the recognised bodies, religious organisations, para-church groups, welfare agencies, government or private with the aim to meet its

The financial statements included the financial position and the financial performance of the Society and the following centres:

1. Christian Outreach to the Handicapped (Headquarters)
2. Christian Outreach to the Handicapped (Tampines)
3. Christian Outreach to the Handicapped (Toa Payoh)

2. Significant Accounting Policies

Basis of Preparation

The financial statements of the Society have been prepared in accordance with the Societies Act, Chapter 311 (the "Societies Act"), Singapore Charities Act, Chapter 37 (the "Charities Act") and Singapore Financial Reporting Standards ("FRS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2018. The adoption of these standards and interpretations did not have any effect on the financial statements. Had there been any adjustments made, the Society will apply the modified retrospective approach during the transition period.

Funds

The Society maintains restricted funds and unrestricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds and common overheads are recorded in the unrestricted fund's statement of financial activities.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Society, the financial statements of the Society are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Society operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the Society functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

Revenue Recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018.

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Donation

Donations are recognised at a point in time when the receipts are obtained and under the control of the Society.

(b) Rendering of Services

The Society provides and organises social activities, events and programmes, where they are sold separately. Revenue generated from social activities, events and programmes are recognised when the services have been performed and rendered.

(c) Grant/Subsidy

Government grants are recognised at a point in time when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. A government grant and/or subsidy, that becomes receivables as compensation for expenses or losses already incurred, is recognised as income in income and expenditure in the period in which it becomes receivables.

Grant and/or subsidy as deferred capital grants is recognised in income and expenditure on a systematic basis over the useful life of the asset.

Prior to 1 January 2018, revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured, regardless of when the payment is made. Revenue comprises the fair value of the consideration received or receivables for rendering of services, net of rebates and discounts, taking into account contractually defined terms of payment. Revenue are recognised as follows:

(a) Donation

Unrestricted donations are reported as income. The timing of the income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for restricted donations.

(b) Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the actual services provided as a proportion of the total services to be performed at the reporting date.

(c) Grant/Subsidy

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. A government grant and/or subsidy, that becomes receivable as compensation for expenses or losses already incurred, is recognised as income in income and expenditure in the period in which it becomes receivable.

Grant and/or subsidy as deferred capital grants are recognised in income and expenditure on a systematic basis over the useful life of the asset.

Interest Income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as Central Provident Fund ("CPF") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in income and expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Income Taxes

The Society is a registered Charity under the Charities Act, Chapter 37 and is exempted from income tax.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Air conditioners	-	5 years
Computer	-	3 years
Furniture and fittings	-	2 years
Kitchen equipment	-	5 years
Motor vehicles	-	6 years
Office equipment	-	5 years
Renovation	-	5 years
Therapy equipment	-	5 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of the reporting year. The effects of any revision are recognised in income and expenditure when the changes arise.

Fully depreciated assets are retained in the accounts until they are no longer in use.

No depreciation is made on renovation in progress until such time as the relevant assets are completed and are ready for its intended use.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in income and expenditure.

Impairment of Non-Financial Assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment assessment for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in income and expenditure.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure.

Financial Assets

(a) These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Investments in debt instruments

Debt instruments of the Society mainly comprise of cash and bank deposits and trade and other receivables.

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(b) These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of a financial asset not at fair value through income and expenditure, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in the statement of financial activities is recognised in income and expenditure.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Society commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in income and expenditure when the loans and receivables are derecognised or impaired, and through the amortisation process.

Impairment of Financial Assets

(a) These accounting policies are applied on and after the initial application date of FRS 109, 1 January 2018:

The Society assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For trade receivable, the Society applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The general 3 stage approach is applied for cash and bank deposit. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

For cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(b) These accounting policies are applied before the initial application date of FRS 109, 1 January 2018:

The Society assesses at end of each reporting year whether there is any objective evidence that a financial asset is impaired.

Assets Carried at Amortised Cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in income and expenditure.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income and expenditure

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances and on demand deposits with financial institutions. For the statement of cash flows, the items include cash and cash equivalents less cash subject to restriction. Other financial assets and financial liabilities at fair value through income and expenditure are presented within the section on operating activities as part of changes in working capital in the statement of cash flows

Financial Liabilities

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through income and expenditure, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in income and expenditure when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is extinguished.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure.

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate

Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful Lives of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 2 to 6 years. The carrying amount of the Society's plant and equipment at 31 December 2018 are disclosed in note 13 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised

Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount of the Society's loans and receivables at 31 December 2018 are disclosed in note 14 to the financial statements.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.1 Key management compensation:

	2018	2017
	SGD	SGD
Salaries and bonus	92,440	113,917
Contributions to defined contribution plan ("CPF")	10,240	15,323
	<u>102,680</u>	<u>129,240</u>

Key management personnel are those chief executive officer and senior officers having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly. The above amounts for key management compensation are for 1 (2017: 4) key management personnel.

4. Voluntary Income

	Headquarters				Tampines				Toa Payoh			
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds	
	General Fund	Designated Fund	Building Fund	Renovation Fund	General Fund	Designated Fund	Deferred Capital Fund	Deferred Capital Fund	General Fund	Designated Fund	Deferred Capital Fund	Total
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
2018												
Donations	116,907	-	-	-	253,783	-	-	-	253,551	-	-	624,241
Pledges	1,961	-	-	-	3,922	-	-	-	3,922	-	-	9,805
	118,868	-	-	-	257,705	-	-	-	257,473	-	-	634,046
2017												
Donations	95,120	2	-	-	205,845	29	-	-	262,001	14	-	563,011
Pledges	7,468	-	-	-	14,935	-	-	-	14,935	-	-	37,338
	102,588	2	-	-	220,780	29	-	-	276,936	14	-	600,349

The tax-exempt receipts amounted to SGD 554,473 (2017:SGD 455,269).

5. Fundraising Activities

	Headquarters				Tampines				Toa Payoh			
	Unrestricted Funds	Designated Funds	Building Fund	Restricted Funds	Unrestricted Funds	Designated Funds	Deferred Capital Fund	Restricted Capital Fund	Unrestricted Funds	Designated Funds	Deferred Capital Fund	Total
2018	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Flag day	126,270	-	-	-	-	-	-	-	-	-	-	126,270
Less:												
Expenses	1,016	-	-	-	-	-	-	-	-	-	-	1,016
	125,254	-	-	-	-	-	-	-	-	-	-	125,254
2017												
Flag day	140,636	-	-	-	-	-	-	-	-	-	-	140,636
Less:												
Expenses	1,846	-	-	-	-	-	-	-	-	-	-	1,846
	138,790	-	-	-	-	-	-	-	-	-	-	138,790

The tax-exempt receipts amounted to SGD 127,803 (2017: SGD 100,202).

6. Government Subvention

	Headquarters				Tampines				Toa Payoh			
	Unrestricted Funds	Restricted Funds	Deferred Capital Fund	SGD	Unrestricted Funds	Restricted Funds	Deferred Capital Fund	SGD	Unrestricted Funds	Restricted Funds	Deferred Capital Fund	SGD
	General Fund	Designated Fund	Building Fund	Renovation Fund	General Fund	Designated Fund	Deferred Capital Fund	SGD	General Fund	Designated Fund	Deferred Capital Fund	SGD
2018	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Amortisation of deferred capital grant (note 20)	2,716	-	-	-	4,757	-	-	-	3,858	-	-	11,331
Recurrent operating subvention	236,141	-	-	-	419,231	-	-	-	365,546	-	-	1,020,918
Special employment credit	-	-	-	-	10,744	-	-	-	11,269	-	-	22,013
Temporary employment credit	492	-	-	-	1,319	-	-	-	1,707	-	-	3,518
VWO transport	-	-	-	-	51,800	-	-	-	58,055	-	-	109,855
Wages Credit Scheme	254	-	-	-	11,339	-	-	-	8,896	-	-	20,489
Others	5,000	-	-	-	-	-	-	-	-	-	-	5,000
	244,603	-	-	-	499,190	-	-	-	449,331	-	-	1,193,124
2017												
Amortisation of deferred capital grant (note 20)	-	-	-	-	9,942	-	-	-	7,819	-	-	17,761
Capital grant	-	-	-	-	-	-	-	-	-	-	57,189	57,189
Recurrent operating subvention	144,716	-	-	-	460,252	-	-	-	423,964	-	-	1,028,932
Special employment credit	-	-	-	-	7,448	-	-	-	5,052	-	-	12,500
Temporary employment credit	1,138	-	-	-	4,475	-	-	-	5,076	-	-	10,689
VWO transport	-	-	-	-	38,301	-	-	-	40,388	-	-	78,689
Others	9,610	-	-	-	-	-	-	-	279	-	-	9,889
	155,464	-	-	-	520,418	-	-	-	482,578	-	57,189	1,215,649

7. Income From Charitable Activities

	Headquarters				Tampines				Toa Payoh			
	Unrestricted General Fund	Designated Funds	Restricted Building Fund	Renovation Fund	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Total
2018	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
School fees	-	-	-	-	-	82,904	-	-	108,470	-	-	191,374
2017	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
School fees	-	-	-	-	-	86,177	-	-	121,083	-	-	207,260

8. Other Income

	Headquarters				Tampines				Toa Payoh			
	Unrestricted General Fund	Designated Funds	Restricted Building Fund	Renovation Fund	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Total
2018	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Interest income	22,191	-	-	-	-	-	-	-	-	-	-	22,191
Others	1,785	-	-	-	-	-	-	-	700	-	-	2,485
	23,976	-	-	-	-	-	-	-	700	-	-	24,676
2017	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Interest income	26,331	-	-	-	-	-	-	-	-	-	-	26,331
Others	1,183	-	-	-	-	660	-	-	1,384	-	-	3,227
	27,514	-	-	-	-	660	-	-	1,384	-	-	29,558

9. Cost of Charitable Activities

	Headquarters				Tampines				Toa Payoh				Total
	Unrestricted General Fund	Designated Funds	Building Fund	Restricted Renovation Fund	Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	Unrestricted General Fund	Designated Funds	Restricted Deferred Capital Fund	SGD	
2018	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	
Activities of daily living	-	-	-	-	-	141	42	-	258	35	-	476	
Amortisation of capital grant (note 20)	-	-	-	-	2,716	-	-	4,757	-	-	3,857	11,330	
Centre activities	-	-	-	-	-	4,947	-	-	4,332	-	-	9,279	
CLS activities	-	-	-	-	-	5,635	-	-	5,547	-	-	11,182	
Depreciation	9,600	-	-	-	-	9,343	-	-	32,578	-	-	51,521	
Employee benefits expense (note 1 f)	21,140	-	-	-	-	628,521	-	-	743,066	-	-	1,392,727	
Household supplies	132	-	-	-	-	2,272	-	-	2,200	-	-	4,604	
Miscellaneous	509	-	-	-	-	9,575	-	-	8,926	-	-	19,010	
Postage	431	-	-	-	-	270	-	-	18	-	-	719	
Rental of equipment	-	-	-	-	-	2,857	-	-	2,418	-	-	5,275	
Rental of premises	1,935	-	-	-	-	9,724	-	-	55,033	-	-	66,692	
Repairs and maintenance -Equipment	1,273	-	-	-	-	3,071	-	-	2,325	-	-	6,669	
Repairs and maintenance -Premises	3,111	-	-	-	-	5,823	-	-	14,805	-	-	23,739	
Printing and stationery	1,471	-	-	-	-	3,876	-	-	2,680	-	-	8,027	
Subscription fee	234	-	-	-	-	625	-	-	625	-	-	1,484	
Telecommunication	5,380	-	-	-	-	2,769	-	-	2,797	-	-	10,946	
Transport	7,070	-	-	-	-	86,370	-	-	117,774	-	-	211,214	
Utilities	3,550	-	-	-	-	15,516	-	-	20,573	-	-	39,639	
Vehicle expenses	-	-	-	-	-	6,331	-	-	7,477	-	-	13,808	
Wet market purchase	-	-	-	-	-	23,451	-	-	26,379	-	-	49,830	
	55,836	-	-	-	2,716	821,117	42	4,757	1,049,811	35	3,857	1,938,171	

9. Cost of Charitable Activities (continued)

	Headquarters				Tampines				Toa Payoh			
	Unrestricted Funds	Restricted Funds	Restricted Funds	Deferred Capital Fund	Unrestricted Funds	Restricted Funds	Restricted Funds	Deferred Capital Fund	Unrestricted Funds	Restricted Funds	Restricted Funds	Total
	General Fund	Designated Funds	Building Fund	Renovation Fund	General Fund	Designated Funds	Designated Funds	Capital Fund	General Fund	Designated Funds	Capital Fund	
2017	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Activities of daily living	-	-	-	-	473	-	-	-	160	-	-	633
Amortisation of capital grant (note 20)	-	-	-	-	-	-	-	9,943	-	-	-	17,761
Centre activities	-	-	-	-	2,311	-	-	-	3,672	-	-	5,983
CLS activities	-	-	-	-	4,625	-	-	-	5,142	-	-	9,767
Depreciation	4,914	-	-	-	10,185	-	-	-	11,214	-	-	26,313
Employee benefits expense (note 11)	-	-	-	-	646,990	-	-	-	737,560	-	-	1,384,550
Financial assistance program	-	-	-	-	15,800	-	-	-	4,200	-	-	20,000
Household supplies	(1,454)	-	-	-	2,101	-	-	-	4,378	-	-	5,025
Miscellaneous	1,061	-	-	-	4,811	-	-	-	11,088	-	-	16,960
Postage	545	-	-	-	144	-	-	-	17	-	-	706
Rental of equipment	-	-	-	-	2,366	-	-	-	2,366	-	-	4,732
Rental of premises	2,176	-	-	-	9,482	-	-	-	28,148	-	-	39,806
Repairs and maintenance -Equipment	-	-	-	-	2,357	-	-	-	2,803	-	-	5,160
Repairs and maintenance -Premises	360	-	-	-	3,876	-	-	-	6,185	-	-	10,421
Printing and stationery	2,397	-	-	-	1,091	-	-	-	1,146	-	-	4,634
Subscription fee	1,244	-	-	-	52	-	-	-	52	-	-	1,348
Telecommunication	443	-	-	-	2,411	-	-	-	2,987	-	-	5,841
Transport	1,899	-	-	-	86,509	-	-	-	114,615	-	-	203,023
Utilities	4,321	-	-	-	14,655	-	-	-	14,968	-	-	33,944
Vehicle expenses	-	-	-	-	7,013	-	-	-	9,494	-	-	16,507
Wet market purchase	-	-	-	-	22,188	-	-	-	25,079	-	-	47,267
Website maintenance	33,000	-	-	-	-	-	-	-	-	-	-	33,000
	50,906	-	-	-	839,440	-	-	9,943	985,274	-	7,818	1,893,381

10. Governance and Administrative Costs

	Headquarters				Tampines				Toa Payoh			
	Unrestricted Funds	Designated Funds	Building Fund	Restricted Funds	Deferred Capital Fund	Unrestricted Funds	Designated Funds	Restricted Deferred Capital Fund	Unrestricted Funds	Designated Funds	Restricted Deferred Capital Fund	Total
	General Fund	SGD	SGD	Renovation Fund	SGD	General Fund	SGD	SGD	General Fund	SGD	SGD	SGD
2018												
Auditor's remuneration		5,136	-	-	-	-	-	-	-	-	-	5,136
Employee benefits expense (note 11)	156,741	-	-	-	-	-	-	-	-	-	-	156,741
Others	109,684	-	-	1,049	-	3,624	-	-	3,630	-	-	117,987
	271,561	-	-	1,049	-	3,624	-	-	3,630	-	-	279,864
2017												
Auditor's remuneration	5,410	-	-	-	-	-	-	-	-	-	-	5,410
Employee benefits expense (note 11)	220,561	-	-	-	-	-	-	-	-	-	-	220,561
Others	41,551	-	-	-	-	3,087	-	-	3,033	-	-	47,671
	267,522	-	-	-	-	3,087	-	-	3,033	-	-	273,642

11. Employee Benefits Expense

	2018	2017
	SGD	SGD
Salaries and bonus	1,324,675	1,347,181
CPF contribution and skills development levy	158,889	189,542
Staff welfare	17,014	18,512
Staff insurance	28,909	45,307
Staff training	19,793	4,109
Medical expense	188	460
	<u>1,549,468</u>	<u>1,605,111</u>

The employee benefits expenses were allocated as follows:

Cost of charitable activities	1,392,727	1,384,550
Governance and other administrative expenses	156,741	220,561
	<u>1,549,468</u>	<u>1,605,111</u>

12. Income Tax Benefit (Expense)

The Society is a registered charity under the Charities Act 1982 and is exempted from income tax under Section 13U of the Income Tax Act.

13. Plant and Equipment

	Air Conditioners	Computer	Furniture and Fittings	Kitchen Equipment	Motor Vehicles	Office Equipment	Renovation	Therapy Equipment	Total
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Cost									
At 1.1.2017	6,481	72,068	29,894	6,612	92,674	23,899	1,121,292	16,252	1,369,172
Additions	-	-	9,103	2,865	-	16,365	20,945	3,399	52,677
At 31.12.2017 and 1.1.2018	6,481	72,068	38,997	9,477	92,674	40,264	1,142,237	19,651	1,421,849
Additions	1,200	38,456	6,982	550	140,300	11,243	4,228	6,748	209,707
At 31.12.2018	7,681	110,524	45,979	10,027	232,974	51,507	1,146,465	26,399	1,631,556
Accumulated Depreciation									
At 1.1.2017	4,168	49,045	17,943	4,321	92,674	20,306	1,121,292	15,935	1,325,684
Depreciation for year	1,291	8,791	12,689	966	-	1,447	698	431	26,313
At 31.12.2017 and 1.1.2018	5,459	57,836	30,632	5,287	92,674	21,753	1,121,990	16,366	1,351,997
Depreciation for year	943	20,854	6,258	1,353	9,743	6,233	4,334	1,805	51,523
At 31.12.2018	6,402	78,690	36,890	6,640	102,417	27,986	1,126,324	18,171	1,403,520
Net Carrying Amount									
At 31.12.2018	1,279	31,834	9,089	3,387	130,557	23,521	20,141	8,228	228,036
At 31.12.2017	1,022	14,232	8,365	4,190	-	18,511	20,247	3,285	69,852

14. Trade and Other Receivables

	2018	2017
	SGD	SGD
Trade receivables	3,528	9,678
Fixed deposit interest receivables	11,736	25,435
	<u>15,264</u>	<u>35,113</u>

Trade receivables are non-interest bearing and are generally on cash terms.

Receivables that are past due but not impaired

The Society has trade receivables amounting to SGD 4,259 (2017: SGD 9,678) that are past due at the end of the reporting year but not impaired. These receivables are unsecured and the analysis of the ageing at the end of the reporting year is as follows:

	2018	2017
	SGD	SGD
<i>Trade receivables past due</i>		
Less than 30 days	355	2,020
31 to 60 days	-	1,602
61 to 90 days	-	881
More than 90 days	3,904	5,175
	<u>4,259</u>	<u>9,678</u>

15. Other Assets

	2018	2017
	SGD	SGD
Deposits paid	14,377	9,982
Prepayments	18,888	33,583
	<u>33,265</u>	<u>43,565</u>

16. Cash and Cash Equivalents

	2018	2017
	SGD	SGD
Cash and bank balances	4,386,289	3,168,579
Fixed deposits	1,555,710	1,519,827
	<u>5,941,999</u>	<u>4,688,406</u>

Fixed deposits are placed with financial institutions and mature within 12 to 36 months (2017: 12 to 24 months) from year end. The effective interest rate is 1.20% (2017: 1.16% to 2.00%) per annum.

Bank balances and fixed deposits amounting to SGD 857,944 (2017: SGD 857,944) relate to building funds.

17. Designated Funds

	Needy Client Fund	Staff Conscience Fund	Caregivers Training Fund	Headquarters Support/Community Trust Fund	NCSS Silver Trust Fund	Silver Volunteer Fund	Tampines Needy Client Fund	Toa Payoh Tree of Life Fund	Needy Client Fund	Total Designated Fund
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
2018										
Balance at beginning of year	276,220	550	142,831	272,636	-	-	(21)	15,812	(53)	707,975
Add: Funds received	-	-	-	1,627,608	44,031	16,748	-	-	-	1,688,387
Less: Expenditures	-	-	-	(267,749)	-	-	(42)	-	(35)	(267,826)
Transfer funds	-	-	-	(106,956)	-	-	-	-	-	(106,956)
Balance at end of year	276,220	550	142,831	1,525,539	44,031	16,748	(63)	15,812	(88)	2,021,580
2017										
Balance at beginning of year	276,218	550	142,831	272,636	-	-	(50)	15,812	(67)	707,930
Add: Funds received	2	-	-	-	-	-	29	-	14	45
Balance at end of year	276,220	550	142,831	272,636	-	-	(21)	15,812	(53)	707,975

17. Designated Fund (continued)

Needy Client Fund

This fund, previously known as "Benevolent fund", is for the specific purpose of offering financial assistance to all clients who are assessed to be eligible for such help. It will assist the payment of client's basic living needs, award bursary covering programme fees and transport costs, and assist the payment of medical expenses.

Caregivers Support/ Training Fund

This fund was set aside for caregivers with subsidies to attend training that build their capabilities in caring for the physical, social and emotional needs of their dependents.

Community Silver Trust Fund

This fund is a donation-matching grant from the Government aimed at enhancing the intermediate and long-term care (ILTC) services in Singapore.

NCSS Trust Fund

This is The Tote Board Social Service Fund which provides grants for critical and strategic social service programmes and new programmes for the social service sector. Funding supports direct and/or preventive social services with defined intervention and contributes to the psychological and social well-being of the target clients. Funding should be used to defray programme costs and not fund-raising costs.

Silver Volunteer Fund

The objectives of Silver Volunteer Fund are to:

- (a) Support programmes that offer volunteer opportunities to seniors, including the training, management and recognition of senior volunteers in the programme; and
- (b) Serve as a platform to draw a diverse and growing network of volunteer host organisations (VHOs) to come forward and offer seniors a wide range of volunteer opportunities in areas, including, but not limited to, aged care, health and wellness, arts and heritage, horticulture and the environment, learning and community development.

Tree of Life Fund

This fund is for the objective of furthering the purposes and goals of the Tree of Life Project, which volunteers help to teach the Society's clients and staff to do recycle art. It will cover all the expenditure incurred for the projects' programmes, activities and events.

18. Building Fund

This fund, previously named as "Building fund and expansion work", was set aside for purchasing a new premise and/or expansion works in the future.

19. Renovation Fund

This fund was set aside for renovation purposes.

20. Deferred Capital Fund

	2018	2017
	SGD	SGD
Balance at beginning of year	59,905	20,477
Add: Funds received	106,956	57,189
Less: Amortisation during the year	(11,330)	(17,761)
Balance at end of year	<u>155,531</u>	<u>59,905</u>

The amount represents Government capital fund received for the purchase of computers, furniture and fittings and office equipment. These are amortised and recognised as income in proportion to the depreciation of the related assets.

21. Other Payables

	2018	2017
	SGD	SGD
Accrued liabilities	8,936	97,723
Provision for unused leave	19,484	19,484
	<u>28,420</u>	<u>117,207</u>

22. Reserves Policy

	2018	2017
	SGD	SGD
Unrestricted fund	5,166,194	3,790,356
Annual operating expenditure	2,219,051	2,168,869
Ratio of reserves to annual operating expenditure	2.33	1.75

The Society desires to build up reserves to meet up to two years of operating expenditures.

23. Operating Lease Commitments

At the end of the reporting year, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	SGD	SGD
<i>Rental of premises</i>		
Not later than one year	27,707	40,425
Later than one year but not later than five years	-	27,707
	<u>27,707</u>	<u>68,132</u>

	2018	2017
	SGD	SGD
<i>Rental of equipment</i>		
Not later than one year	5,264	5,264
Later than one year but not later than five years	13,798	19,010
	<u>19,062</u>	<u>24,274</u>

Operating lease payments are for rentals payable for office premise and office equipment. The lease rental terms are negotiated for an average term of two to seven years and rentals are not subject to an escalation clause.

24. Financial Risk Management Objectives and Policies

The main risks from the Society's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarised below.

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as and when they fall due. The management's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Society reviews its working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the end of the reporting year based on contractual undiscounted repayment obligations.

	2018		2017	
	1 year or less	Total contractual cash flow	1 year or less	Total contractual cash flow
	SGD	SGD	SGD	SGD
<i>Financial assets</i>				
Trade and other receivables	15,264	15,264	35,113	35,113
Other assets	14,377	14,377	9,982	9,982
Cash and cash equivalents	5,941,999	5,941,999	4,688,406	4,688,406
	<u>5,971,640</u>	<u>5,971,640</u>	<u>4,733,501</u>	<u>4,733,501</u>
<i>Financial liabilities</i>				
Other payables	8,936	8,936	97,723	97,723
	<u>8,936</u>	<u>8,936</u>	<u>97,723</u>	<u>97,723</u>
Total net undiscounted financial assets	<u>5,962,704</u>	<u>5,962,704</u>	<u>4,635,778</u>	<u>4,635,778</u>

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a party default on its obligations.

Exposure to Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process. There was no identified impairment loss.

Credit Risk Concentration Profile

The Society has no significant concentration of credit risk.

Financial Assets that are either past due or Impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 14 (trade receivables).

25. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	2018	2017
	SGD	SGD
Financial assets at amortised cost	5,971,640	-
Loans and receivables (including cash and cash equivalents)	-	4,733,501
Financial liabilities at amortised cost	8,936	97,723

26. Fair Value of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short- term maturity of these financial instruments.

27. New Accounting Standards and FRSs Interpretations

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116: Leases	1 January 2019

The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116: Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Society is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date. The Society expects the adoption of the new standard will result in increase in total assets and total liabilities and gearing ratio.